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Gulumser, A.A.; Baycan, T.; Nijkamp, P.

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***Beauty is in the Eyes of the Beholder:  
A Logistic Regression Analysis of Sustainability and Locality  
as Competitive Vehicles for Human Settlements***

Name: Aliye Ahu GÜLÜMSER  
Affiliation: Istanbul Technical University  
Address: Department of Urban and Regional Planning, Istanbul Technical University  
Taskisla, 34437, Taksim, Istanbul, TURKEY  
E-mail: [gulumser@itu.edu.tr](mailto:gulumser@itu.edu.tr)  
Fax: +90 212 251 48 95

Name: Tüzin BAYCAN-LEVENT  
Affiliation: Istanbul Technical University  
Address: Department of Urban and Regional Planning, Istanbul Technical University,  
Taskisla, 34437, Taksim, Istanbul, TURKEY  
E-mail: [tuzin.baycanlevent@itu.edu.tr](mailto:tuzin.baycanlevent@itu.edu.tr)  
Fax: +90 212 251 48 95

Name: Peter NIJKAMP  
Affiliation: VU University, Amsterdam  
Address: Department of Spatial Economics, VU University Amsterdam  
De Boelelaan 1105 1081 HV Amsterdam, The NETHERLANDS  
E-mail: [pnijkamp@feweb.vu.nl](mailto:pnijkamp@feweb.vu.nl)  
Fax: +31 20 59 86004

***Abstract***

The sustainability of settlements is determined not only by local ecological quality or availability of green spaces, but also by a wide array of architectural and heritage parameters that contribute to local quality of life and the beauty/attractiveness of settlements in both rural and urbanized areas. As towns and villages are both ecological resources and the resource of locality, i.e. heritage and traditions, this calls for creative ideas to ensure that they are sustainable and competitive in modern economies. The aim of this paper is to investigate the role of such creative practices and dynamics of settlements, with a special focus on the ‘Associations of the Most Beautiful Villages’ in France and Italy. The paper first focuses on the critical parameters of a locality related to the attractiveness of villages from the perspective of visitors and then evaluates the role of the above mentioned Associations from the perspective of the local population. Data and information used in this study are derived from in-depth questionnaires filled out by relevant experts from 32 villages in France and Italy. In order to achieve this aim, a multivariate statistical technique, viz. logistic regression, is used. This study presents the preliminary results of the analysis of the roles of non-profit organizations in the marketing of settlements regarding their performance in terms of creativity, innovativeness and competitiveness. These results emphasize the importance of locality, showing that locality in a traditional sense remains as a critical factor to attract people and to compete in an open market. The results also show that the above-mentioned Associations play a crucial role in the sustainable development of villages, while at the same time creating for villages an attractive image as perceived by both the local population and visitors.

**Keywords:** sustainability, sustainable development, the most beautiful villages, rural areas, locality, cultural heritage

## **Biographical Notes:**

### **Aliye Ahu GÜLÜMSER**

Aliye Ahu Gülümser is research assistant and PhD student in urban and regional planning at the Istanbul Technical University (ITU) Department of Urban and Regional Planning. She received her MSc. in the field of Regional Planning from Istanbul Technical University in 2005. Her main research interests cover urban and regional planning, rural development, suburbanization, entrepreneurship and diversity. In the past years she has focused her research in particular on rural entrepreneurship and rural development. She is member of the Regional Science Association International and the Regional Studies Association. She is currently at the Free University, Amsterdam as a guest researcher to study on her PhD.

### **Tüzin BAYCAN-LEVENT**

Tüzin Baycan Levent is Associate Professor in urban and regional planning at the Istanbul Technical University (ITU) Department of Urban and Regional Planning. She received her Ph.D. in the field of Regional Planning from Istanbul Technical University in 1999. Her main research interests cover urban and regional planning, urban systems, sustainable development, environmental issues and diversity and multiculturalism. In the past years she has focused her research in particular on urban economics and ethnic entrepreneurship. She has published a number of international articles in these fields. She is member of the Editorial Board of the International Journal of Sustainable Society and A/Z ITU Journal of Faculty of Architecture and the Advisory Board of Studies in Regional Science. She is also member of the Regional Science Association International, the Turkish National Committee of Regional Science and the Turkish National Committee of Coastal Zone Management.

### **Peter NIJKAMP**

Peter Nijkamp is professor in regional and urban economics and in economic geography at the Free University, Amsterdam. His main research interests cover plan evaluation, multicriteria analysis, regional and urban planning, transport systems analysis, mathematical modelling, technological innovation, and resource management. In the past years he has focused his research in particular on quantitative methods for policy analysis, as well as on behavioural analysis of economic agents. He has a broad expertise in the area of public policy, services planning, infrastructure management and environmental protection. In all these fields he has published many books and numerous articles. He is member of editorial boards of more than 30 journals. He has been visiting professor in many universities all over the world. He is past president of the European Regional Science Association and of the Regional Science Association International. He is also fellow of the Royal Netherlands Academy of Sciences, and is immediate past vice-president of this organization. Since June 2002 he serves as president of the governing board of the Netherlands Research Council (NWO). In addition, he is past president of the European Heads of Research Councils (EUROHORCs). In 1996, he was awarded the most prestigious scientific prize in the Netherlands, the Spinoza award.

***Beauty is in the Eyes of the Beholder***  
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***Vehicles for Human Settlements***

**1. Locality, sustainability and rural characteristics**

In recent years, the maintenance and revitalization of locality have attracted much attention as a critical success factor in order to obtain sustainable economic development in the modern ages. The dynamics of localities, i.e. cultural heritage, social and physical environment, and economic opportunities, are related to the image and identity of an area. Despite the drastic changes in policies from a localized perspective to a global vision, the good image and the improvement of the attractiveness of an area depend on the conservation and promotion of the dynamics of locality, particularly the cultural heritage (Forte et al., 2005).

From an economic perspective, the relationship between locality and economic development is represented by the tourism sector, but the attractive image of an area shapes the vision not only of tourists but also of people who live and invest in the area (Forte et al., 2005). Actually, locality results in the localization of the existing population, and activities, and also the creation of new economic opportunities. The different dynamics of localities which determine the attractiveness of regions can no longer be experienced in the old sense, as they are now being penetrated by the non-local forces and goods (Relph, 1976; Taylor, 2000). Thus, the old and bad image of rural areas which can generate traditional locality has changed into an attractive image, so that both the local population and newcomers can experience the rural idyll.

This new image of rural areas closely related to the dynamics of locality, especially to the cultural heritage and quality of life, is explained in the literature by many factors such as counterurbanization (Berry, 1976), the back-to-the-land movement, land-based lifestyles (Halfacree, 2007), eco-towns, and also green tourism. Rural areas used to be isolated, traditional and less-developed regions in a country, and were usually seen as the opposite of, and dependent on, urban areas (Jacobs, 1969). But, in recent times, they have enjoyed the benefits of the ICT era and can be distinguished less than in the past from urban areas and cities, with the exception of their demographic and natural characteristics. From being traditional sources of socio-economic concern, many towns and villages have become high-potential areas where a good quality of life can be combined with creative and often flourishing economic activities.

The extension of cities reaching far out into rural areas (Vaz et al., 2006), the changing perception of quality of life and the increasing importance of locality have together transformed a one-sided dependency in urban-rural relationships into a more interdependent relationship. Today, apart from their physical differences, urban and rural areas are functionally related to each other (van den Berg et al., 1987) by exchanging diverse flows, i.e. people; goods; services; capital and assets; waste and pollution; environmental resources; knowledge; and social norms, values, lifestyles and identities (Davoudi, 2008). Therefore, small towns and villages neglected by the urban-centric and economically-driven approaches in the early literature (see also, Burnham and Bennett, 1909; Christaller, 1933; Lösch, 1954; Friedmann, 1966) have been popularized in many policy documents and academic studies as a part of the complex system and as the important spatial actor in modern economies (Ache, 2000; Antikainen, 2005; Gonzales et al., 2006; Davoudi, 2008). From a global perspective, these changes can be negative in that they risk the loss of natural reserves (Sassen, 2007), but also positive in that they create opportunities in terms of culture, arts, sports, and innovativeness (Nijkamp, 2008).

Today, sustainability is not only determined by local ecological quality or availability of green spaces but also by a wide array of architectural and cultural heritage parameters. Contemporary theories are based on the idea that the success of an area in terms of sustainability depends on quality of life issues, creativity, diversity of lifestyle and local decisions in tandem with regenerating the existing locality in all areas. Therefore, sustainable development aims to achieve the optimum use of local resources, while obtaining and maintaining strong local and external relations ('social capital'). Settlements build up human activity stimulating creativity and innovation, creating jobs and the production of goods and services (Afshar, 1998). On this basis, rural areas, more than urban areas, which can offer quality of life and beautiful landscapes, with their diversified uniqueness and preserved resources play a crucial role in achieving sustainability and competitiveness in the complex economic system. The development of rural areas is one of the best solutions for the well-known problems of urban and rural areas (Harris and Todaro, 1970). Therefore, the exploitation and stimulation of locality, cultural heritage and quality is necessary to create beauty and an attractive image for villages.

The quality of settlements is at stake in many countries. This negative development has led local authorities and individuals to develop innovative and creative ideas in order to ensure sustainable development at the local level and to promote it in the global scene. It is especially rural settlements with more local, traditional and natural values, which are being developed in an uncontrolled way because of the lack of administrative restrictions that are in need of creative ideas in order to control and decide about the discontinuity or sustainability of their increasing attractiveness and cultural heritage. Creative practices are usually seen as related to the tourism sector from the perspective of visitors and newcomers, as they have contributed to diversifying leisure activities. On the other hand, from the perspective of the local population these ideas have contributed to the protection and promotion of the locality, particularly its cultural heritage and traditions while obtaining sustainable economic development.

One of the successful examples of such creative practices is the foundation of the "Association of the Most Beautiful Villages of France", known as "L' Association des Plus Beaux Villages de France", which inspired first Belgium and later on Italy in Europe. The existing studies on these Associations, i.e. Bousuet (2003) and Rieucou (2007), treated them as tourism actions in which social capital was obtained by tourism and leisure activities. In contrast, the prospect and retrospect of the Associations are not only to promote tourism but instead to obtain and stimulate the sustainable development – in particular with respect to cultural heritage and quality of life – of villages.

Therefore, the role of such creative practices and dynamics of settlements is investigated in this paper with a special focus on the Associations of the Most Beautiful Villages in France and Italy. In order to achieve this aim, the dynamics of locality and the impacts of these Associations from two perspectives, viz. (i) from the perspective of visitors; and (ii) from the perspective of the local population are evaluated.

The data and information used in this study are derived from in-depth questionnaires filled in by the relevant experts from 32 villages in France and Italy and two national level organizations in these countries, including related documentation. In order to achieve this aim, a multivariate statistical technique, the logistic regression method, is used. This study reflects the preliminary results of this analysis of the roles of non-profit organizations in the modern non-urbanized economies regarding their skills in terms of creativity, innovativeness and competitiveness.

The paper is organized as follows. Section 2 outlines the history and the structure of the Associations of the Most Beautiful Villages. Section 3 then evaluates the important

dynamics of locality and the role of the Associations of the Most Beautiful Villages from the perspective of both visitors and the local population. Data and information including methodology is also introduced in Section 3. Finally, Section 4 evaluates the advantages and disadvantages of being a member of the Association of the Most Beautiful Villages, and addresses the success and failure of the Associations in Italy and France.

## 2. Promoters of locality and sustainability: Associations of the Most Beautiful Villages

With the aim of controlling changes in rural areas, publicizing them, and transforming their localities into a trademark in the global market, in 1982, Charles Ceyrac, the mayor of the French village Collognes-la-Rouge, decided to bring together villages in his country, and to this end he established the Association of the Most Beautiful Villages of France with the collaboration of 18 mayors. In the same year, at the first General Assembly of the Association president Ceyrac approved the strategy and the status of the Association (MBVF, 2008a). The strategy of the Association has three main concepts, viz. (i) quality; (ii) *notoriété*<sup>1</sup>/reputation; (iii) development, while aiming to develop, promote and protect the most beautiful French villages. The idea was to construct a form of national and thematic associations of villages which would contribute to rural France, which was previously lacking a good image and not identified correctly by the consumers.

In order to achieve this aim and to fulfil this strategy, the Association follows a strict and selective membership process. Villages with a rural character, at least two registered monuments or sites, and the approval of the town council may apply for membership, but this depends on the satisfaction of the criteria defined by the quality chart of the Association. If a village satisfies the quality chart, its mayor will become the active member. Besides villages, there are two other types of member: the honorary members, who are the founder mayors; and associate members, which are the partner enterprises that provide technical and financial support for the realization of the strategy of the Association. Usually, this organization invites the individual villages to put themselves forward as candidates for membership, but some villages apply on their own initiatives.

Ceyrac's idea to bring together similar villages in different regions of the country in order to improve their quality, build their reputation, and control their development inspired municipalities and individuals from different countries, i.e. Belgium, Italy, Canada and Japan (Norman, 2006; MBVF, 2008a,b; MBVI, 2008; MBVQ, 2008; MBVW, 2008). Although each of organizations applied the French model, the Belgian and Canadian Associations cover only villages in one specific region while the Italian and Japanese cases are established at a national level (Table 1). However, even though their coverage area or type are different, the strategies of these Associations are almost the same.

Table 1. Associations of the Most Beautiful Villages in the world

Association	Coverage area	Type of founder	Year of foundation	Number of member villages
Les Plus Beaux Villages de France	National	Municipalities	1982	152
Les Plus Beaux Villages de Wallonie	Regional	Individuals	1994	23
Les Plus Beaux Villages de Québec	Regional	Individuals	1997	36
I Borghi più Belli d'Italia	National	Municipalities	2001	178
Les Plus Beaux Villages de Japan	National	Municipalities	2005	7

The most similar Association to the French model, the Association of the Most Beautiful Villages in Italy, was founded in May 2001 by the leadership of the Tourism Council of the National Association of Italian Municipalities (ANCI) in order to promote the

cultural heritage of history, art, culture, environment and traditions in small Italian towns which are for the most part cut off from the flow of visitors and tourists. Small villages in Italy risk depopulation and a consequent decline caused by the marginalization of economic interests which gravitate towards tourism and commercial trends (MBVI, 2008). Thus, the Association is established to bring together administrators who are sensitive to the protection and promotion of their villages, and who believe in and will participate actively in the activities of the Association (MBVI, 2008). Similar to the French model, the membership process of the Italian association is also a rigorous procedure during which villages are carefully screened by a committee in terms of their architectural harmony, quality of buildings and quality of life including activities and services provided for their inhabitants. Membership is not guaranteed. In fact, membership is a reciprocal commitment between villages which show their determination to increase the quality of their villages through concrete actions and practices and the Association which guarantees the preservation of the heritage of monuments and traditions, to ensure that they are not excluded from desirable development and modernization, and to represent and introduce villages and their dynamics of locality in the global arena.

The Italian Association considers villages as hidden and less-known places which represent best the history and locality of the country. According to the Association, although there are a large number of books and a great deal of information about the beauty of villages, the local inhabitants are the best people to describe their villages rather than the outsiders who propose and discover the beauty of a village. So, the Association simply tries to sell the village to the tourist and visitors, while at the same time improving the overall quality of life in the villages ensuring that both tourists and the people who live in their villages will be the beneficiaries. The goal of the association is to create an alternative to places which are anonymous and alike everywhere, and an alternative lifestyle.

Starting as a creative local thought in a French village, this movement has turned into an international federation called 'The Most Beautiful Villages on Earth' founded by French, Belgian and Italian Associations in 2002, while the other Associations are only observers rather than members. However, they are not very active in the global scene, and their future challenge is to represent their members in national and international policy circles.

### **3. The Most Beautiful Villages in France and Italy: Information and Database**

The aim of this paper is to investigate the role of non-profit organizations in the sustainable development of rural areas, with a special focus on the member villages of the Associations of the Most Beautiful Villages in France and Italy. In order to achieve this aim, the member villages of the Associations are evaluated by logistic regression analysis on the basis of the critical parameters of locality from two perspectives viz. (i) *the perspective of the visitors* and (ii) *the perspective of the local population*. The next sub-section explains the methodology used in this study and describes the data collection process and the data set. Sections 3.2 and 3.3 present the application and the results of the logistic regression.

#### *3.1. Description of the data set and methodology*

The data and the information used for evaluation are based on two different extensive survey questionnaires, viz. *a questionnaire for the Associations* and *a questionnaire for the villages* filled out by relevant experts from 32 villages in France and Italy. The survey began in June 2008 by sending emails to the Associations through their websites asking them (1) to fill out the questionnaire for the Associations by the responsible person from their organization; (2) to send the questionnaire for the village with the invitation letter to their members directly, or (3) to provide the contact details of the responsible person from their member villages. The

questionnaires were translated into French and Italian in order to avoid any language problems. The questionnaire has four main parts, (1) general information; (2) environmental characteristics; (3) relations and connections with the outside; and (4) membership. Part 1 and Part 2 were designed to reveal the similarities and the differences of the characteristics of the villages, while Part 3 was designed to measure the attractiveness of villages, and Part 4 was designed to evaluate the impacts of the Associations on the villages.

Although the aim of the Associations is to gather similar villages, in order to see if there is a statistically significant difference in terms of countries, analysis of variance (ANOVA) tests are applied to compare French and Italian villages. The general purpose of ANOVA tests are to test for significant differences in the sample investigated by means of characteristic explanatory variables. According to the results of the tests, French and Italian member villages in the sample are statistically similar in terms of many characteristics such as the surface features, available modes of transportation, and local products. The results of the ANOVA tests are not provided in this paper; the results are not surprising as these Associations focus on similar villages which became member by satisfying similar quality charts in their countries. The results of the comparative statistical analysis, i.e. ANOVA, led to investigate together all member villages of both countries' Associations as a whole.

Therefore, in order to investigate the role of the Associations and the critical parameters associated with the attractiveness and sustainable development of the villages, a logistic regression method is used. Logistic regression analysis is a simple non-linear transformation of the linear regression model (Hair et al., 2005). In logistic regression, the dependent variables are coded as a dummy and the independent variables can be of any type (Whitehead, 1999; Garson, 2004). Taking into consideration the assumptions of the method, here the general model is  $Y = f(X) + C$ . In order to evaluate villages from two perspectives, i.e. the perspective of the visitors and the perspective of the local population, from the general model  $Y = f(X) + C$ , two sets of models are generated. In the first set of models, two sub-models are used to evaluate the critical parameters of villages which attract urban and international visitors. The second set of models investigates the role of the Associations in the sustainable development of villages from the perspective of the local population with three sub-models on the basis of the strategy of the Associations. Thus, 5 dependent variables coded with letter 'Y', of which two refer to the attractiveness of villages and three refer to the sustainability of villages, are used in this study (Table 2). Given the relatively small number of observations (32 observations), it is important in logistic regression to specify models only with relatively uncorrelated explanatory variables. This caveat led to select a limited number of variables characterizing the dynamics of rural areas and the parameters of localities. Therefore, 15 explanatory — independent — variables coded with letter 'X' and referring to characteristics and changes in rural areas are used (Table 2).



Table 2. Variables used in the analysis

Code	Variable	Explanation	Type: Range
X1	Description	Description of the village	Categorical: 1=historical; 2=natural; 3= historical and natural; 4=historical and artistic; 5=all
X2	Openness	Openness of inhabitants to novelty	Dummy: 0=no; 1=yes
X3	Frequent mode	Most frequent mode of transport of inhabitants	Categorical: 1=car; 2= foot; 3=car and foot; 4=car and bus; 5= car and bike; 6=car and taxi; 7=bus, bike and taxi;8=all
X4	Inhabitants – Expatriates	International migrant residents	Dummy: 0=no; 1=yes
X5	Tourists – International	International tourists	
X6	Market place	Existence of a market place	
X7	No economic diversity	Not having economic diversity before becoming a member	
X8	Economic diversity	An increase in the diversity of economic activities	Categorical: 0=no impact; 1= strongly disagree; 2=disagree; 3=neither disagree nor agree; 4= agree; 5=strongly agree
X9	Farmers	A decrease in the number of farmers	
X10	Agriculture	A decrease in agricultural activities	
X11	Local products	An external market of local products	
X12	Support	Finding it easy to obtain technical and financial support	
X13	Housing prices	An increase in housing prices	
X14	Out migration	An decrease in migration from the village	
X15	In migration	An increase in migration to the village	
Y1	Urban visitors	Urban inhabitants as the users of amenities	Dummy: 0=no; 1=yes
Y2	International visitors	International tourists as the users of amenities	
Y3	Quality	An increase in housing prices	Dummy: 0=no; 1=yes
Y4	Notoriété/Reputation	Becoming well-known outside the village	
Y5	Development	A decrease in unemployment	

In Section 3.2 below, the first set of models is explored in detail focusing on the attractiveness of village, while later Section 3.3 explains in detail the second set of models in order to investigate the role of the Associations in the sustainable development of villages.

### 3.2. *Attractiveness and locality: perspective of the visitors*

The attractiveness of a region is usually related to the tourism sector which plays a crucial role in local economic development in many countries (Giaoutzi and Nijkamp, 2006) and in the representation of local pull factors in the global scene (Gotham, 2005). The presence of tourists from nearby cities and from other countries shows that villages can attract people flows. Rural areas are seen as the leisure places of day trippers or short-stay tourists, although the attractive image of an area depends not only on the leisure activities but also on its other dynamics and opportunities.

In order to explore the importance of various background variables in shaping the attractiveness of villages (Y), two different logistic regression models are used (Table 3). As mentioned in the previous section, the reason to choose a limited number of parameters in order to explain dependent variables is that, when generating logistic models for relatively small samples, there is a need to use relatively uncorrelated variables. Therefore, in the first model that we used to evaluate the attractiveness of villages (Y1) from the perspective of the urban inhabitants, only four parameters were used, viz. openness of villages (X2); the

existence of a market place (X6); an increase in housing prices (X13); and an increase in in-migration (X15). The second model explaining the local attractiveness from the viewpoint of international visitors includes only three parameters, viz. the historical, natural or artistic characteristics of the villages (X1); the most frequently-used mode of transportation (X3) and the absence of economic diversity (X7). In both cases, C is the constant intercept.

In the application of logistic regression, the first step is to determine if the model reasonably approximates the behaviour of the data. Here, the statistic which shows the validity of the model is the chi-square ( $\chi^2$ ) (Hosmer and Lemeshow, 1989) which can be reported from the omnibus tests of model coefficients. According to the significance values of chi-square (*Sig.  $\chi^2$* ), the two models that evaluate the attractiveness of villages from the perspective of different types of visitors are valid (Table 3). After testing the validity of the models by the chi-square statistic, the second step in logistic regression is to evaluate the performance of the model by the rate of correct classification obtained from the classification table. So, the model explains the urban visitor's perspective with a 90.6 percent explanation rate, while the second model explains the international visitor's perspective with an 81.3 percent explanation rate (Table 3).

The last step in logistic regression is the formulation of equations for which the 'entre' method is used. The effect of each predictor can be gauged by three parameters, i.e. the Wald statistic, B, and Exp (B). The squared ratio of the coefficient over its standard error equals the Wald statistic. If the significance level of the Wald statistic is small (less than 0.05 at the 5 percent level), then the parameter is significant in the model. The predictors and coefficient values shown in the last step are used by the procedure to make predictions. The meaning of a logistic regression coefficient is not as straightforward as that of a linear regression coefficient. While B is convenient for testing the usefulness of predictors, Exp (B) is easier to interpret. Exp (B) represents the ratio-change in the odds of the event of interest for a one-unit change in the predictor.

Table 3. Statistical results of locality forces related to attractiveness: the perspective of the visitors

Model <i>[Y(1;2)= f(X)+C]</i>			Variables				
	<i>Sig. <math>\chi^2</math></i>	<i>Correct classification rate</i>		<i>B</i>	<i>Wald</i>	<i>Sig.</i>	<i>Exp(B)</i>
Model 1: Attractiveness from the perspective of urban visitors							
Y1=f(X2,X6,X13,X15,C)	0.002	90.6	X2	3.333	2.733	<b>0.10</b>	28.026
			X6	-4.061	3.587	<b>0.06</b>	0.017
			X13	1.917	4.909	<b>0.03</b>	6.800
			X15	-0.974	2.363	<b>0.10</b>	0.378
			C	-5.093	2.880	0.08	0.006
Model 2: Attractiveness from the perspective of the international visitors							
Y2=f(X1,X3,X7,C)	0.000	81.3	X1	-0.985	3.759	<b>0.05</b>	0.373
			X3	0.753	3.851	<b>0.05</b>	2.124
			X7	3.308	5.523	<b>0.02</b>	27.337
			C	-0.221	0.034	0.85	0.801

After determining relatively uncorrelated exploratory variables, then, according to the results of the analysis, at the 10% confidence level the most important factors to attract urban visitors are: openness of villagers (X2); the existence of a market place (X6); increase in housing prices (X13); and increase in in-migration (X15) (Table 3). Among these parameters, X2 and X13 are the positively associated variables, while X6 and X15 are negatively

associated with the attractiveness. The reason for the negative impact of the existence of a market place is that, if a market place exists in a village, the products sold are not only local products but products brought from other regions. In other words, even though market places that have existed since the earliest years of the settlements are seen as the places to publicize local products, eventually, as mentioned by Webber (1964) and Giddens (1990), these products are not purely local but are also brought in from other settlements. In addition, the negative sign of the increase in number of in-migrants is a parameter which shows that rural areas have already become populated and discovered. The results of the first model show that locality and quality are the main rural characteristics that attract urban visitors.

According to the results of the second model which explains the attractiveness for international visitors (Y2), among the indicators chosen on the basis of the results of the correlation table, the significant rural characteristics at a 5 percent confidence level are: the historical, natural or artistic characteristics of the villages (X1); the frequently-used mode of transportation (X3); and the absence of economic diversity (X7) (Table 3). The negative sign of the variable X1 means that the presence of historical heritage is more associated with attracting international visitors to come to villages. Again, the results show the importance of locality, but this time, emphasize more the importance of cultural heritage and traditions as the attractors of international visitors.

The results of both sub-models explained in this section show that traditional locality, referring to cultural heritage and traditions, is the best tool to attract or to create an attractive image for villages. Today's modern era calls for changes and the accumulation of spaceless products, i.e. knowledge. Villages and towns offering traditional knowledge of the locality seem to be attractive more than in the past than cities which usually lack this kind of knowledge, and city dwellers who visit these rural localities are curious about it. The sustainability of traditional locality can be also called cultural heritage, which comprises both the tangible and intangible attributes of a society coming from the past. Cultural heritage, together with natural heritage including the countryside and natural environment, is seen as an important component of the tourism sector, attracting many visitors from near and far settlements both locally and globally. The heritage in the countryside is often unique which requires its preservation. In the next section, we will evaluate the perspective of the local population in order to explain the contributions of the Associations of the Most Beautiful Villages in France and Italy on the basis of their three main concepts, viz. quality; *notoriété*/reputation; and development to promote and protect the locality and heritage of the member villages in order to obtain sustainable development.

### 3.3. *Sustainable development of villages: the role of the Associations of the Most Beautiful Villages*

The starting point of the Associations of the Most Beautiful Villages is to control and obtain the sustainable development of the member villages. Their aim is to obtain continuity and sustainability of the settlements while representing them in the global world. The lack of the external relations due to the close communities; defensive localism; the lack of employment opportunities and economic diversity; the depopulation of rural areas; and many other problems that have existed for centuries have all led these Associations to develop strategies with respect to the three core concepts, viz. quality, *notoriété*/reputation and development. In this section, in order to stress and investigate the role of the Associations in the sustainable development of villages from the perspective of the local population, we generated three models (Y1; Y4; and Y5) on the basis of these three concepts.

The first concept called 'quality' is related to the protection and enhancement of the historical and cultural heritage in the villages. The quality concept is essential for the

Association in order to grant membership to the village and to renew its membership in the following years. In order to comply with this strategy, the criteria defined by the Association are related to the appearance and aesthetics of the built environment of villages (MBVF, 2008a). In other words, the quality concept, which contributes to the man-made environment including the quality of housing, is measured in the study by the existence of an increase in housing prices (Y3), which is associated with three independent variables, i.e. the presence of expatriates (X4); a decrease in the number of farmers (X9); and finding it easy to obtain financial support for the projects (X12).

The second concept is the '*notoriété*/reputation' of the villages. Sustainable development requires the exploitation of existing strong local relations including the creation of strong external relations so that the villages can be players in today's modern economic and competitive societies. Therefore, the contributions of the Associations to the representation of the villages at the national and international level are measured by their impact on the increasing reputation of the villages in both platforms (Y4), which is explained by: the presence of international tourists (X5); and the ability to sell local products outside of the villages (X11).

The last concept is the 'development strategy'. According to the Associations, development of villages is related to the strong and diversified economy where actors can realize their cultural heritage and their potential, while discovering how to benefit from their existing resources and opportunities. In other words, development is related to the increase of the number of economic actors. Thus, we measured the development concept by the impact of the Associations on the decrease of unemployment (Y5), which is explained by three variables: obtaining the economic diversity (X8); a decrease in agricultural activities (X10); and sales of local products outside the villages (X11).

Following the same steps in the application of logistic regression mentioned in the previous section, the results of the validity tests of the three models show that their chi-square are significant, and therefore these models are valid. Clearly, 90.6 percent of the results of the quality model can be explained at the 10 percent level by the presence of expatriates (X4); a decrease in the number of farmers (X9); and finding it easy to obtain financial support for projects in the villages (X12) (Table 4). According to the results of the model of the first concept, the local population considers the quality increase obtained by the Associations to be associated with the presence of expatriates, the decrease in numbers of farmers, and finding it easier to obtain financial support for their projects. In the literature, the motivation of expatriates is shown to be related to quality-of-life issues rather than to economic opportunities. In addition, the link between quality and decreasing number of farmers from the perspective of the local population can be seen at a first glance as damage rather than a contribution, as farmers are the traditional economic actors. But, farmers who have suffered for years from unemployment and lack of income have a tendency to sell their farms to the expatriates in order to get money and then move to the urban areas believing they will find a better life there or start-up a new business in the village. Therefore, although farms may continue to exist, farmers tend to change their economic activities from farming to other flourishing economic activities which are appearing in their village. As a result, by increasing the quality in the village, the Associations may change the actors of the locality.

Table 4. The main strategies of the Associations for sustainable development

Model [Y(3;4;5) = f(X)+C]			Variables				
	Sig. $\chi^2$	Correct classification rate		B	Wald	Sig.	Exp(B)
Model 3: Quality as a strategy for sustainable development							
Y3=f(X4,X9,X12,C)	0.001	90.6	X4	3.080	2.586	0.10	21.766
			X9	1.114	5.565	0.02	3.045
			X12	0.743	2.738	0.10	2.102
			C	-4.251	4.063	0.04	0.014
Model 4: Notoriété/reputation as a strategy for sustainable development							
Y4=f(X5,X11,C)	0.001	93.8	X5	-2.589	2.676	0.10	0.075
			X11	1.520	4.225	0.04	4.572
			C	3.098	0.584	0.45	22.158
Model 5: Development as a strategy for sustainable development							
Y5=f(X8,X10,X11,C)	0.000	87.5	X8	3.819	3.305	0.07	45.557
			X10	-3.722	2.992	0.09	0.024
			X11	3.895	3.209	0.07	49.178
			C	-7.112	3.728	0.05	0.001

The second concept, the ‘*notoriété*/reputation’ of villages (Y4) is explained with a 93.8 percent classification rate at the 10 percent confidence level by the negative impact of international tourists (X5) and the ability to sell local products outside the villages (X11) (Table 4). From the perspective of the local population, *notoriété*/reputation does not mean the attractiveness or the presence of international tourists, but it is the capability to be present in both national and international markets. It can be said immediately that the negative perception of international tourists is a surprising result as the international tourists are seen, as the contributors of the *notoriété*/reputation of the areas due to their strong external ties. But, the reason to visit rural areas is not only related to seeing the uniqueness of these places but to escape from urban areas in order to experience ‘the traditional’. Usually such tourists prefer to keep their discovered territory – rural areas – as undiscovered and preserved as it used to be until their next visit. In other words, for the local inhabitants, *notoriété*/reputation depends on entering and competing in the global market with their unique and archetypal products while creating their own niche markets but not on bringing or attracting people to visit their villages. This also shows the breakdown of the closed system in rural areas and how they are now looking forward to be an open society in the modern system.

The last concept ‘development’ is explained with an 87.5 percent classification rate at a 10 percent significance level by: obtaining the economic diversity; maintaining the agricultural activities; and selling local products outside of the villages. According to this last model, from the perspective of the local inhabitants, Associations are successful with respect to their development concept, by protecting the traditional agricultural sector while diversifying economic sectors in the villages and promoting local products in the global market.

From a local perspective, the Associations of the Most Beautiful Villages play a crucial role in the economic development of villages by protecting traditional economic activities, promoting and bringing local products into the global market and creating new economic activities and opportunities in the villages.

#### **4. Prospect and retrospect**

The dynamics of locality, i.e. cultural heritage and traditions, are critical success factors in order to obtain sustainability and to compete in our modern era. For many people, rural areas that promote the forgotten and desired Arcadian idyll have become some of the most attractive visiting and living places. But, this attractiveness can have both positive and negative impacts which call for creative and innovative ideas in order to increase the quality of life and enable economic activities to flourish.

In this study, in order to investigate the role of non-profit organizations in the sustainable development of rural areas while focusing on the important dynamics of locality, one of the successful examples of creative practices i.e. the “Association of the Most Beautiful Villages in France and Italy” is used as a case study. In order to achieve this aim, the most important dynamics of locality from the perspective of visitors and the role of the Associations from the perspective of the local inhabitants in 32 member villages are investigated. The nature of the variables, and the relatively small sample used in this study have led to apply a logistic regression analysis in order to emphasize the important dynamics of locality from different perspectives.

According to the results of this study, from the perspective of visitors, attractiveness of villages is associated with well-protected heritage and locality. In other words, villages in our sample that offer and publicize knowledge of local customs and traditions seem to be more attractive in the modern knowledge-based society. The results of the study show that cultural heritage, together with natural heritage including the countryside and natural environment, is seen as an important component of the tourism sector, attracting many visitors from near and far settlements, both locally and globally. Although, in today’s modern era, locality parameters determine the attractive image of an area, the problems faced by villages are diverse and cannot be solved only by increasing their attractiveness. The mentioned Associations are successful to gather similar villages in different countries and also to encounter the problem of being left a part of the member villages by obtaining sustainability and continuity of the heritage and dynamics of locality. The results of the second part of the analysis which investigates the perspective of the local inhabitants show that they evaluate the contributions and roles of these Associations in relation to changing the dynamics of the economy in their village, which is closely related to the image of the villages. In other words, even inhabitants find the attempts of such associations very successful and useful in order to obtain sustainability and development in their homelands.

This study reflects the preliminary results of the research on the roles of non-profit organizations in modern economies regarding their performance in terms of creativity, innovativeness and competitiveness. However, the small number of the cases due to the ongoing process of data collection prevents from including a wider list of variables because of their multicollinearity. Nevertheless, this study has been successful in investigating the role of non-profit organizations in sustainable development and in understanding the importance of locality in a competitive world.

The importance of locality and even the importance of representation of rural areas in the global arena seem very important, however, the world is urbanizing at an increasing pace, and cities are still the most important settlements in the world. Therefore, the importance of rural areas is emphasized by the increasing demand of mainly urban inhabitants for the traditional locality which is a lack in many cities and has become one of the scarce goods in knowledge-based modern economies. Today, the sustainability and continuity of locality and rural areas play a crucial role in enabling them to compete in modern economies.

The modern network society and competitive era call for platforms in which exchange of knowledge and experiences can be obtained and presented in the global scene. The urban

networks i.e. Eurocities and Sister Cities International (see for an evaluation Baycan-Levent et al., 2008) have been very successful in responding to this call. In addition, urban and rural areas are no longer independent of each other but rather they are interdependent. Thus, rural areas are being brought into these networks not by rural administrators but by urban administrators. Therefore, there is an urgent need to create rural networks like their urban counterparts. Although rural networks or Associations like the Most Beautiful Villages are not yet widespread, the creation of such networks will strengthen solutions for, and the sustainability of, rural areas while attracting both newcomers and locals in order to experience the idyll of country life. On this basis, the representation of rural areas in policy circles, as well as in modern economies, will be obtained and will create advantages for sustainability and a better understanding of the needs and dynamics of rural areas, even for outsiders.

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<sup>1</sup> Note that in the literature the French word 'notoriété' is sometimes translated into English as 'notoriety' (Norman, 2006). However, French 'notoriété' has only a positive connotation (fame for some good quality), whereas in English 'notoriety' always has a negative connotation (fame for some bad quality). The words 'reputation' or 'popularity' are closer translations of 'notoriété'.